VZCZCXYZ0017 PP RUEHWEB

DE RUEHSJ #0195/01 0721927
ZNR UUUUU ZZH
P 121927Z MAR 08
FM AMEMBASSY SAN JOSE
TO RUEHC/SECSTATE WASHDC PRIORITY 9517
INFO RUEHSN/AMEMBASSY SAN SALVADOR 5219

UNCLAS SAN JOSE 000195

STPDTS

SIPDIS

DEPT FOR H:DRICH AND WHA/CEN:RBEAL

E.O. 12958: N/A

TAGS: <u>OREP PREL PGOV ETRD ECON EAIR SNAR CS</u>
SUBJECT: CODEL COSTELLO REVIEWS CIVIL AVIATION

11. SUMMARY. On March 1-4, a Congressional delegation (CODEL) led by the Aviation Subcommittee Chairman Jerry Costello (D-IL) visited Costa Rica to review the aircraft repair operations of Cooperativa Autogestionaria de Servicios Aeroindustriales R.L. (COOPESA). COOPESA has ongoing offshore repair contracts with several U.S. airlines. The delegation seemed impressed by the quality of work conducted at COOPESA. With Minister of Public Transport (MOPT) Gonzalez, the CODEL discussed advances in regional civil aviation, public-private partnerships for highway development, and revenue sources for infrastructure improvements. The CODEL also toured the Ministry of Public Security's Air Wing, which has a major counter-narcotics mission. This cable has been cleared by CODEL Costello. END SUMMARY.

A CHECK ON CIVIL AVIATION

12. Rep. Jerry Costello (D-IL), Chairman of the Subcommittee on Aviation, part of the House Transportation and Infrastructure Committee, led the CODEL on a two-country visit to El Salvador and Costa Rica, February 28 - March 4. CODEL members (all making their first visit to Costa Rica) are listed in paragraph eight. Associate Administrator of Aviation Safety for the Federal Aviation Administration (FAA) Nicolas Sabatini was included in the delegation. The CODEL's goal was to observe the day-to-day operations of major commercial aircraft repair stations located in Costa Rica as well as to review "out-sourced" aircraft repair facilities.

COOPESA OF COSTA RICA

- 13. On March 3, the delegation reviewed the work operations of COOPESA, the leading aircraft repair facility in Costa Rica. Based at San Jose's Juan Santamaria airport, COOPESA has operated for 45 years as an employee-owned company. The company's principle business is "line maintenance" for cargo and passenger narrow-body Boeing aircraft such as the 727, 737, and 757. COOPESA can also perform "heavy maintenance." In addition to servicing aircraft from throughout the Americas, major U.S. companies including Aloha airlines, CIT Group, and Ryan contract with COOPESA for ongoing maintenance. Aloha alone accounts for about 30 percent of COOPESA's business. COOPESA, which has about 80 percent of the aircraft "line maintenance" market at Juan Santamaria, also performs maintenance on an "as needed" basis for American, Continental, and Delta Airlines.
- 14. COOPESA CEO Rimsky Buitrago described the company's operations and business model to the delegation, highlighting that aircraft and passenger safety was the

number one rule in his company. The delegation toured the company's facilities, including stops in the parts warehouse, a project control room, and two aircraft undergoing repair in COOPESA's hangars. When asked by CODEL members, Buitrago outlined maintenance procedures, project tracking, and quality control issues. He also explained to Rep. Hirono (D-HI) that although Aloha Airlines did not serve the Central American market, the company's management had determined that COOPESA could deliver quality maintenance at a lower cost than its previous maintenance provider in Canada. The delegation praised COOPESA's attention to quality and commitment to customer service.

CALLING ON THE MINISTER

- 15. After the COOPESA tour, the delegation met with the Minister of Public Transport, Karla Gonzalez. Also attending the meeting was Vice Minister Viviana Martin and the Director General of Civil Aviation, Jorge Fernandez Chacon. Chairman Costello described the delegation's mission to Gonzalez and shared their positive observations of COOPESA. Gonzalez acknowledged the importance of FAA standards and influence in the development of aviation safety policy worldwide. She noted that Costa Rica obtained its "Category 1" rating in 2002, has maintained the rating, and has set the standard for Guatemala and El Salvador. The FAA's Sabatini commented on Costa Rica's "quantum leap in the improvement of standards" and praised the country, specifically Jorge Vargas, Director of Agencia Centroamericana para la Seguridad Aeronautica (COCESNA), for its leadership in the regionalization of aviation safety in Central America.
- Minister Gonzalez summarized Costa Rica's many infrastructure challenges and said, "we have a long way to go." Responding to several questions from Rep. DeFazio (D-OR), Gonzalez said the GOCR paid for road improvements through taxes but these revenues had not been allocated to the Ministry for more than ten years. She reported that only in January of this year, thanks to the leadership of President Arias, the Ministry of Public Transport (MOPT) had finally received its earmark for roads. Gonzalez also explained that MOPT needed to achieve better progress to structure public partnerships to improve the road system. Rep. DeFazio recommended that MOPT consider the Spanish system of public private partnership as a model to improve Costa Rica's roads since he believed it was one of the more successful partnerships in Europe. Chairman Costello suggested that MOPT could use a financing mechanism of dedicated taxes to support concessions for airport improvements. In response, the Minister noted Costa Rica's difficulties with concessions ("no successful concessions of any kind") and that this was another area of much needed improvement.

APPRECIATING THE AIR WING

17. Before departing Costa Rica, the delegation toured the GOCR's Air Wing commanded by Colonel Oldemar Madrigal of the Ministry of Public Security. Madrigal noted that some of his equipment had been acquired as seized assets from narco-traffickers. While showing the delegation the GOCR's C7 Caribou under restoration, he described the Air Wing's mission to combat drug trafficking, support security efforts, and assist with disaster relief. Also, Embassy staff noted NASA's scientific missions that are conducted in part from facilities controlled by the Air Wing. Chairman Costello appreciated the tour and noted how the GOCR did admirable work with few resources.

18. Delegation Members:

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-- Rep. Henry E. Brown (R-SC)
-- Rep. Peter DeFazio (D-OR)
-- Rep. Cliff Stearns(R-FL)
-- Rep. Mazie Hirono (D-HI)
-- Nicolas A. Sabatini, FAA
-- Janice McKinney, Speaker's Office
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- -- Jimmy Miller
- -- Stacie Soumbeniotis
- -- Holly Woodruff Lyons -- Christa Fornarotto
- -- Jana Denning
- -- Deborah Omori, Doctor
- -- MAJ Jeremy Glauber -- SSG Will Reinhard
- -- SGT Hermann Thomas
- 19. This cable has been cleared by CODEL Costello.

BRENNAN